

FIRST REGULAR SESSION

# HOUSE BILL NO. 308

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES CLAYTON AND WIGGINS (Co-sponsors).

Read 1<sup>st</sup> time January 10, 2001 and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1121L.011

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### AN ACT

To repeal section 348.432, RSMo 2000, relating to new generation cooperatives, and to enact in lieu thereof one new section relating to the same subject, with an emergency clause.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 348.432, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 348.432, to read as follows:

348.432. 1. The tax credit created in this section shall be known as the "New Generation Cooperative Incentive Tax Credit".

2. As used in this section, the following terms mean:

(1) "Authority", the agriculture and small business development authority as provided in this chapter;

(2) "Development facility", a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

(3) "Eligible new generation cooperative", a nonprofit cooperative association formed pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose of operating a development facility or a renewable fuel production facility and approved by the authority;

(4) "Member", a person, partnership, corporation, trust or limited liability company that invests cash funds to an eligible new generation cooperative;

(5) "Renewable fuel production facility", a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source.

19           3. Beginning tax year 1999, and subsequent tax years, any member who invests cash  
20 funds in an eligible new generation cooperative may receive a credit against the tax otherwise  
21 due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to  
22 143.265, RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount equal to the lesser of  
23 fifty percent of such member's investment or fifteen thousand dollars.

24           4. A member shall submit to the authority an application for the tax credit authorized by  
25 this section on a form provided by the authority. If the member meets all criteria prescribed by  
26 this section and is approved by the authority, the authority shall issue a tax credit certificate in  
27 the appropriate amount. **If the authority receives applications for tax credits in excess of the**  
28 **total amount of credits allowed pursuant to this section, then the authority shall prorate**  
29 **all available credits among each approved applicant.** Tax credits issued pursuant to this  
30 section shall initially be claimed for the taxable year in which the member contributes capital to  
31 an eligible new generation cooperative. Any amount of credit that exceeds the tax due for a  
32 member's taxable year may be carried back to any of the member's three prior taxable years and  
33 carried forward to any of the member's five subsequent taxable years. Tax credits issued  
34 pursuant to this section may be assigned, transferred or sold. Whenever a certificate of tax credit  
35 is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with  
36 the authority specifying the name and address of the new owner of the tax credit or the value of  
37 the credit.

38           5. At least ten percent of the tax credits authorized pursuant to this section shall be  
39 offered in any fiscal year to projects with capital costs of no more than one million dollars. If  
40 the amount of tax credits allowed pursuant to this section exceeds the amount needed for such  
41 smaller projects, the remaining tax credits may be offered for projects with capital costs in excess  
42 of one million dollars.

43           6. [If members of a project would be eligible for tax credits in excess of one million five  
44 hundred thousand dollars, tax credits authorized pursuant to this section shall be prorated  
45 between the members on a percent of investment basis, not to exceed the maximum allowed per  
46 member.] **The maximum tax credit allowed pursuant to this section per project which has**  
47 **capital costs greater than fifteen million dollars and which will create an entity employing**  
48 **at least one hundred fifty employees is three million dollars. If the total investment of all**  
49 **members in the type of project described in this subsection exceeds six million dollars, then**  
50 **the tax credits available for the project shall be prorated between the members on a**  
51 **percent of investment basis, not to exceed the maximum amount allowed per member**  
52 **pursuant to subsection 3 of this section.**

53           7. **The maximum tax credit allowed pursuant to this section per project which has**  
54 **capital costs greater than one million dollars, but which will not create an entity employing**

55 **at least one hundred fifty employees is one million five hundred thousand dollars. If the**  
56 **total investment of all members in the type of project described in this subsection exceeds**  
57 **three million dollars, then the tax credits available for the project shall be prorated**  
58 **between the members on a percent of investment basis, not to exceed the maximum amount**  
59 **allowed per member pursuant to subsection 3 of this section.**

Section B. Because immediate action is necessary to promote investment in agricultural  
2 cooperatives this act is deemed necessary for the immediate preservation of the public health,  
3 welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of  
4 the constitution, and this act shall be in full force and effect upon its passage and approval.